

## HOUSE BILL NO. 518

INTRODUCED BY K. PETERSON

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE PRINCIPLES OF OSTENSIBLE AGENCY DO NOT APPLY TO A REAL ESTATE BROKER WITH RESPECT TO ANY REAL ESTATE TRANSACTION IN WHICH THE BROKER HAS NOT INTENTIONALLY OR BY WANT OF ORDINARY CARE CAUSED A THIRD PERSON TO BELIEVE THAT ANOTHER PERSON IS THE REAL ESTATE BROKER'S AGENT."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Ostensible agency not applicable to brokers.** The principles of ostensible agency do not apply to a broker licensed under the provisions of this part with respect to any real estate transaction in which the broker has not intentionally or by want of ordinary care caused a third person to believe that another person is the broker's agent or is authorized to act on the broker's behalf with respect to that real estate transaction.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 37, chapter 51, part 4, and the provisions of Title 37, chapter 51, part 4, apply to [section 1].

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